



# **DEFENSE SECURITY COOPERATION AGENCY: AGENCY OVERVIEW**

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# SECURITY COOPERATION: A KEY POLICY TOOL FOR THE 21st CENTURY



## FOREIGN POLICY GOALS

- BUILD INSTITUTIONS TO KEEP AMERICANS SAFE AND THE WORLD PEACEFUL
- SUSTAIN OUR PROSPERITY AND EXPAND GLOBAL ECONOMY
- PROMOTE AMERICAN PRINCIPLES & VALUES

## NATIONAL SECURITY GOALS

- TO ENHANCE OUR SECURITY WITH MILITARY FORCES THAT ARE READY TO FIGHT
- TO BOLSTER AMERICA'S ECONOMIC REVITALIZATION
- TO PROMOTE DEMOCRACY ABROAD

## SECURITY ASSISTANCE PROGRAMS

### CINC GOALS

- COALITION BUILDING
- FORWARD PRESENCE
- INTEROPERABILITY
- REGIONAL STABILITY
- CRISIS MANAGEMENT
- THEATER DETERRENCE



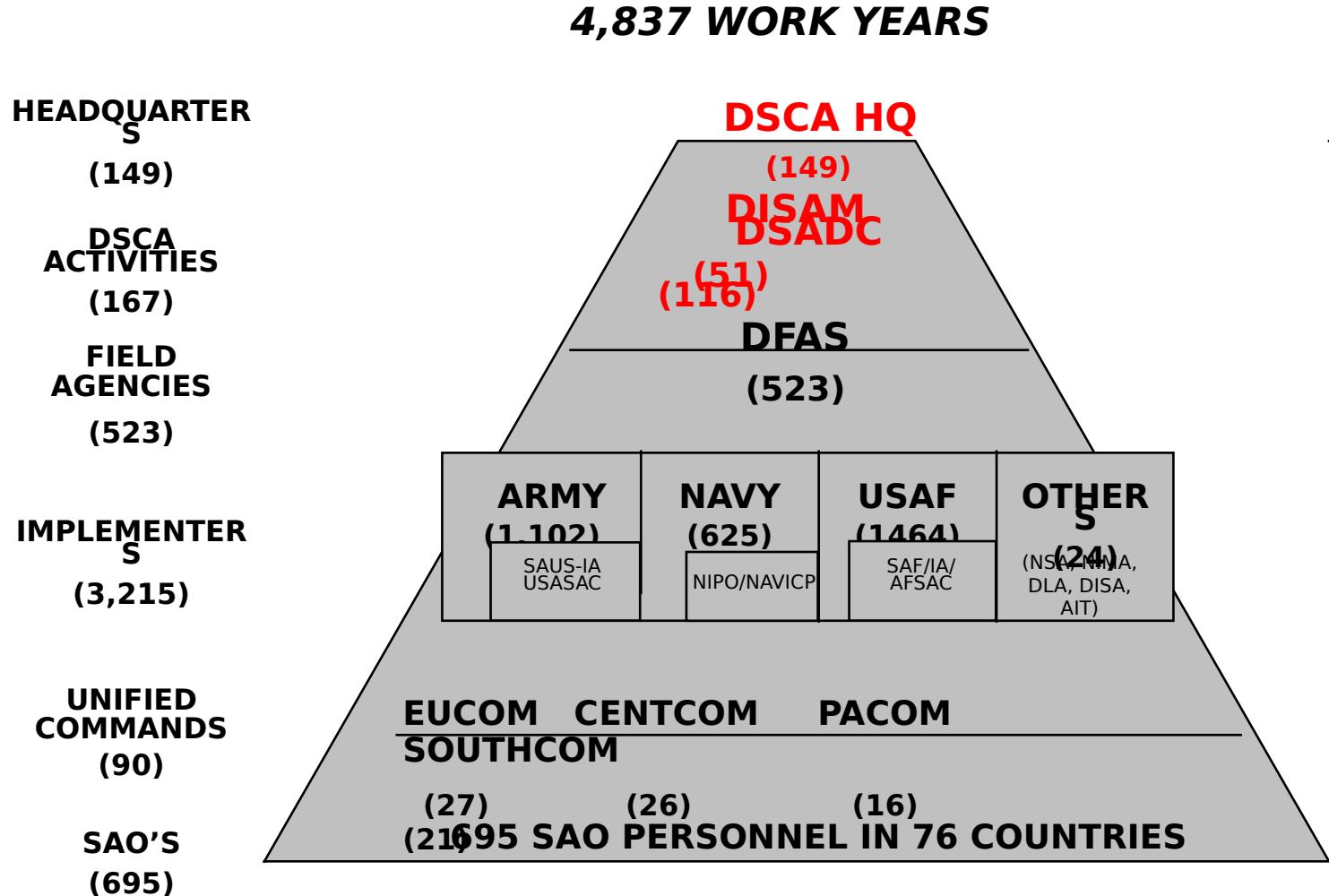
# SECURITY COOPERATION PROGRAM



- **FMS BUSINESS 1999**
  - \$12.2B IN SALES
  - \$18.4B IN DELIVERIES
  - 15,000 OPEN CASES  
VALUED AT \$226B
  - \$70B IN THE PIPELINE
  - \$5.5B IN CUSTOMER  
TRUST FUNDS
- **GRANT ASSISTANCE**
  - \$3.4B FMF IN 1999
  - \$50M IMET PROGRAM  
WITH 118 COUNTRIES
- **DOD PROGRAMS**
  - \$71.5M IN HUMANITARIAN  
ASSISTANCE TO 80  
COUNTRIES
  - \$16M IN HUMANITARIAN  
DEMINING TO 23  
COUNTRIES
  - \$41.4M FOR WARSAW  
INITIATIVE
  - \$1.9M FOR AFRICA CENTER  
FOR STRATEGIC STUDIES
- **RESOURCES**
  - \$370M BUDGET
  - 4,837 WORKYEARS
  - 695 SAOs

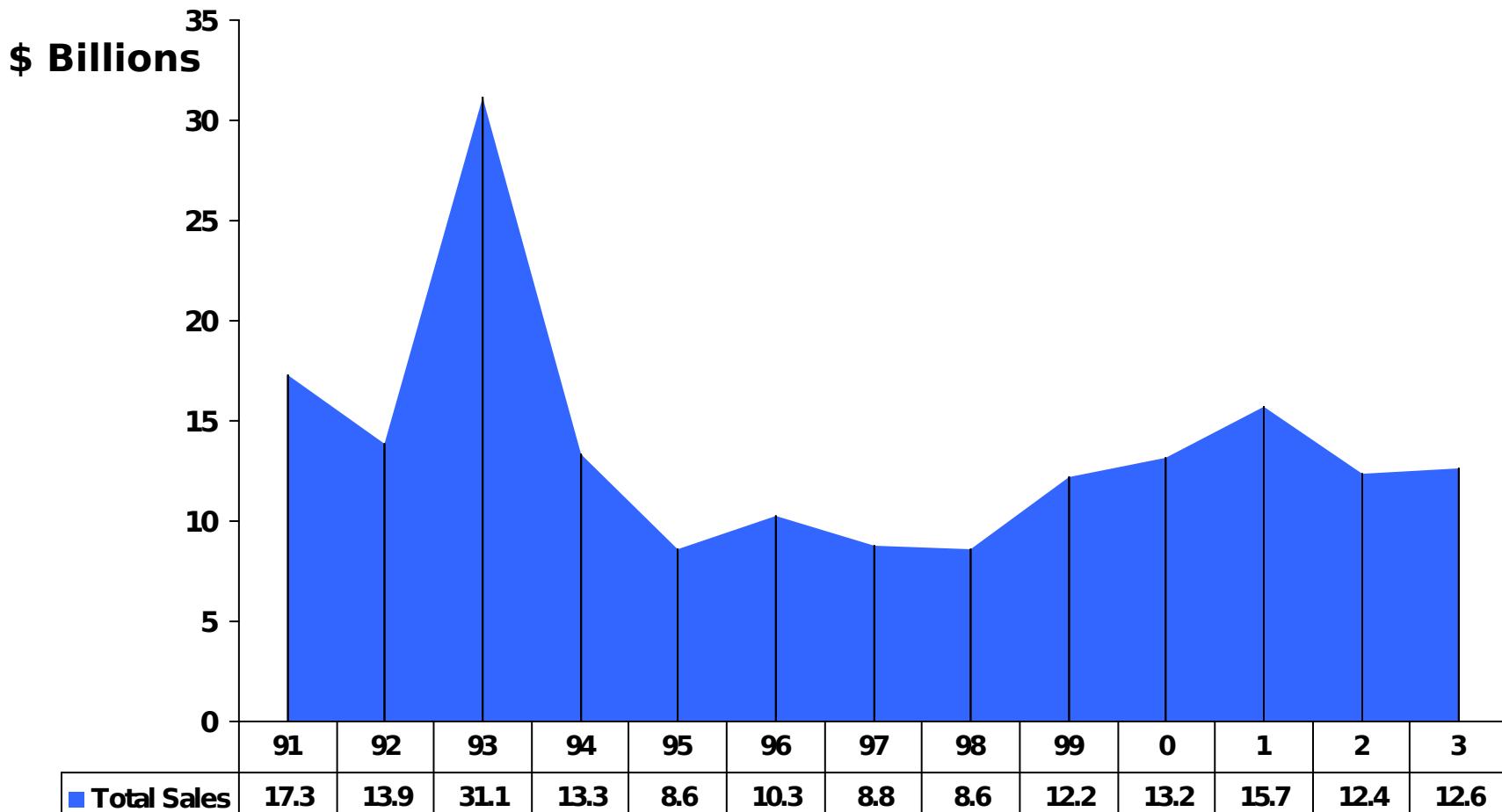


# FUNCTIONAL VIEW OF THE SECURITY ASSISTANCE COMMUNITY





# FOREIGN MILITARY SALES

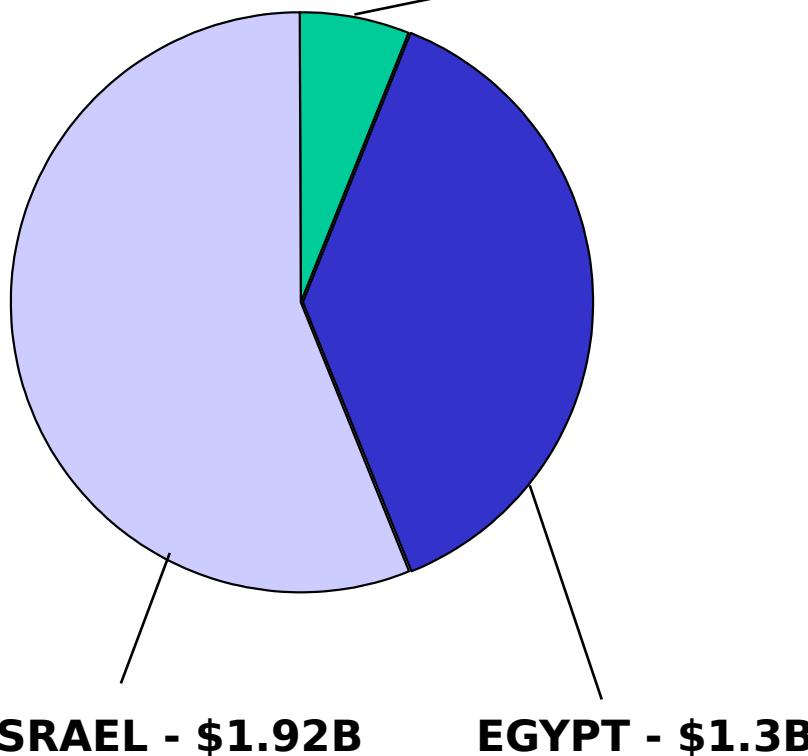




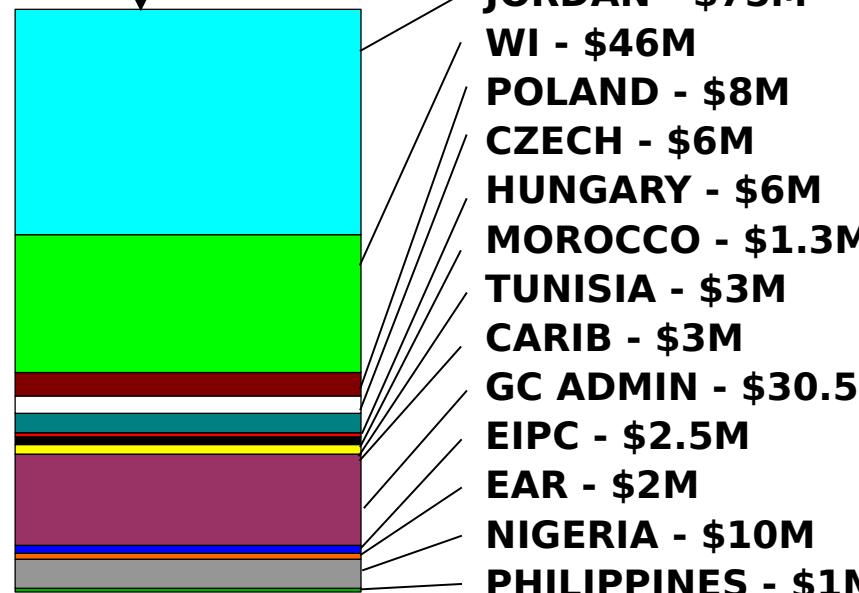
# FOREIGN MILITARY FINANCING: *FY 00 ALLOCATION*



**TOTAL = \$3.41B**

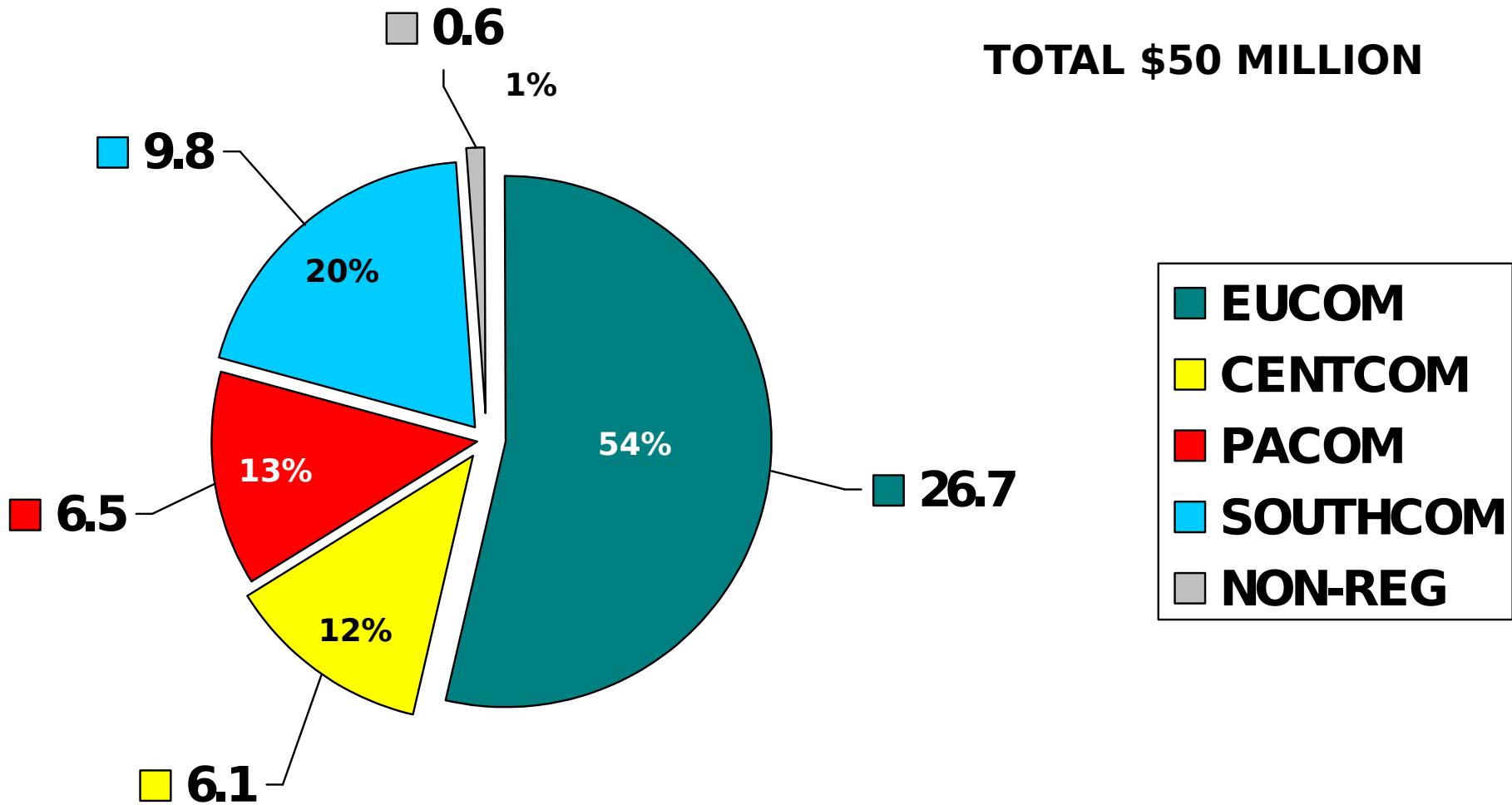


**DISCRETIONARY - \$194M**





# 2000 IMET ALLOCATIONS BY REGION





# INTERNATIONAL TRAINING

## “The Network Supporting Security Assistance”



- **INTERNATIONAL MILITARY STUDENT OFFICER (IMSO)**
  - CRITICAL TO SUCCESS OF INTERNATIONAL TRAINING
    - KEY TO GLOBAL SECURITY ASSISTANCE NETWORK
    - IMSO - IMSO NETWORK VITAL
- **FY99 INTERNATIONAL STUDENT STATISTICS**
  - ABOUT 28,000 STUDENTS UNDER BOTH FMS AND IMET
  - TOTAL VALUE OF OVER \$459 MILLION
- **SUPPORTS SALES OF U.S. DEFENSE EQUIPMENT**
  - CURRENT - AND - BUILDS MARKET FOR FUTURE SALES
  - CRITICAL TO US ENGAGEMENT STRATEGY
  - ENHANCES COALITION BUILDING AND STRATEGY



# INTERNATIONAL TRAINING FUTURE: COOPERATION WILL BE CRITICAL



- **DISTANCE LEARNING**
  - **TECHNOLOGICAL ALTERNATIVES TO DOWNSIZING**
    - **IMPACT ON INTERNATIONALS IMMENSE**
    - **MOST DIFFICULT TRAINING MANAGEMENT QUESTIONS OF THE DECADE**



# INTERNATIONAL TRAINING CHALLENGES



- PROTECT INTERNATIONAL QUOTAS
- LEGISLATIVE REQUIREMENTS
  - | ANNUAL INTERNATIONAL TRAINING REPORT
  - | RESTRICTIONS
  - | EARMARKS



# HUMANITARIAN ASSISTANCE & DEMINING



- **HUMANITARIAN ASSISTANCE (FY 00 - \$30.2M) PROVIDES:**
  - **EMERGENCY ASSISTANCE (FOOD, SHELTER, MEDICAL, TRANSPORTATION)**
  - **NON-EMERGENCY ASSISTANCE (NON-LETHAL EXCESS PROPERTY, TRANSPORTATION OF NGO-DONATED RELIEF SUPPLIES, SERVICES--E.G. MEDICAL AND ENGINEERING)**
  - **PACOM HA PROGRAM FUNDED AT \$2.6M**
- **DEMINING ASSISTANCE (FY 00 - \$25.6M) PROVIDES:**
  - **ASSISTS COUNTRIES TO CLEAR EXISTING LANDMINES**
  - **DESIGNS SUSTAINABLE INDIGENOUS PROGRAMS**
  - **PROMOTES HUMAN WELFARE THROUGH MINE AWARENESS/DEMINING TRAINING**
  - **PACOM HD PROGRAM FUNDED AT \$2.6M**



# DSCA MAJOR EFFORTS



## External

- RE-ENGINEER THE FMS PROCESS AND MEET CUSTOMER NEEDS
- MAINTAIN SECURITY ASSISTANCE TRUST FUND SOLVENCY
- MAINTAIN SOLVENCY OF CUSTOMER TRUST FUNDS
- ENSURE CONTINUED VIABILITY OF AGENCY

## Internal

- IMPLEMENT AGENCY 5 YEAR STRATEGIC PLAN
- COMPLETE AGENCY'S BUSINESS PERFORMANCE PLAN FOR DEFENSE MANAGEMENT COUNCIL
- DEVELOP & FIELD DSAMS



# THE NEED TO REINVENT

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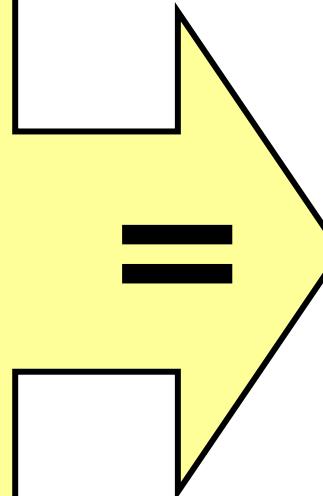
- **PERCEPTIONS THAT FMS HAS BECOME OBSOLETE**
- **DEFENSE MARKETPLACE IS MORE COMPETITIVE**
- **SHARPER PENCILS BEING USED BY FOREIGN CUSTOMERS**
  - PRICE, OFFSETS, TECHNOLOGY TRANSFER ARE STRONGLY WEIGHTED
- **INCREASING NUMBER OF CLASHES BETWEEN SECURITY CONCERNs AND CUSTOMER DEMANDS**



# FMS REINVENTION IS RESPONDING TO CHALLENGES



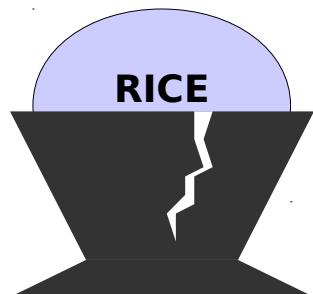
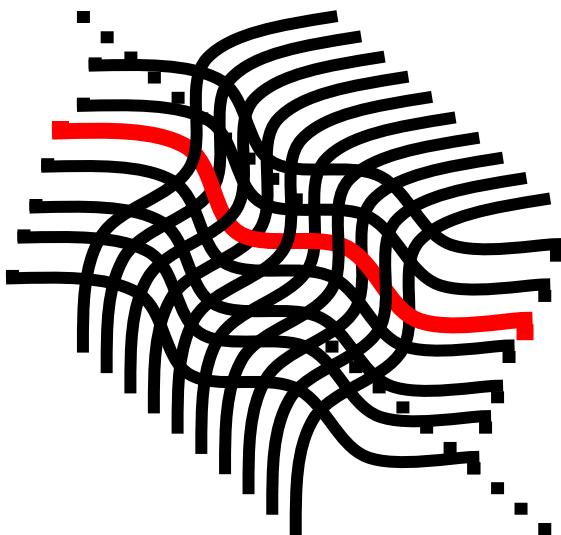
- ➡ COMPETITIVE PRICING
- BETTER SERVICE
- BETTER ARMS TRANSFER PROCESS



USG ABLE TO  
MEET CUSTOMER  
NEEDS



# HARDER THAN WE THOUGHT



- SURPRISED BY DEPTH AND COMPLEXITY
- ISSUES NOT UNIQUE - CHANGING ONE IMPACTS THE OTHERS
- INSTITUTIONAL EQUITIES CHALLENGED (BUT NOW IMPROVING)



# FMS REINVENTION: KEY ACTIONS



## TRANSPARENCY

- INCREASING CUSTOMER INVOLVEMENT
- ENGAGING CUSTOMERS IN REINVENTION
- GREATER OFFSET VISIBILITY

## ARMS TRANSFER

- ESTABLISHED ARMS TRANSFER POLICY REVIEW GROUP (ATPRG)
- OPENED DIALOGUE ON EXPORT CONTROLS

## PRICING

- REDUCED ADMIN FEE TO 2.5% (17% Reduction)
- FFP/NTE LOAs & DIRECT COMMERCIAL HYBRIDS
- SECONDARY ITEMS INITIATIVE

## FINANCIAL

- \$5B REDUCTION IN SHIPPED/DELIVERY NOT REPORTED
- 20% DROP IN OPEN SUPPLY COMPLETE CASES
- MORE CASES CLOSED



# THE FUTURE



- **SECURITY COOPERATION REFLECTS ON USG AND DEMONSTRATES COMMITMENT TO SECURITY NEEDS OF OUR FRIENDS AND ALLIES**
- **SECURITY COOPERATION WILL CONTINUE TO BE AN IMPORTANT TOOL FOR POLICY MAKERS**
- **WE CAN EXPECT:**
  - **CONTINUED SCRUTINY OF FOREIGN AID REQUESTS**
  - **CONTINUED PRESSURE TO REDUCE MANPOWER RESOURCES**
  - **INCREASED COMPETITIVE MARKET FOR SMALLER DEFENSE BUDGETS**



# AGENCY VISION



**TO BE THE PREMIER AGENCY RECOGNIZED AND RESPECTED FOR LEADERSHIP, EXPERTISE, INNOVATION, AND RESULTS IN SECURITY COOPERATION...**

- **A HIGHLY QUALIFIED TEAM OF MOTIVATED PROFESSIONALS**
  - **VITAL TO SUPPORTING US INTERESTS AND SECURITY RELATIONSHIP**
  - **THE INTERNATIONAL PARTNER OF CHOICE**
- ...MASTERING THE CHALLENGES OF A CHANGING GLOBAL ENVIRONMENT.**

*Decisive  
Supportive  
Committed  
Accessible*



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